



**News From:**

## **COMPTROLLER KEVIN LEMBO**

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**FOR IMMEDIATE RELEASE**

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### ***COMPTROLLER LEMBO TESTIFIES IN FAVOR OF LARGER RAINY DAY FUND; SUPPORTS GAAP TRANSITION***

Comptroller Kevin Lembo, testifying before the General Assembly's Appropriations Committee today, will urge that the state maintain a larger Budget Reserve Fund – or "Rainy Day Fund" – in order to protect the state against volatile financial markets.

Lembo has long advocated for a more robust Budget Reserve Fund to financially protect the state during good and bad economic times.

State law currently requires that the state maintain a Budget Reserve Fund that is capped at 10 percent or less of the budget. Lembo said 15 percent is more adequate to protect state taxpayers.

"As I have long advocated, the Rainy Day Fund must be strong and sufficient to protect us following unanticipated financial losses," Lembo said. "As we work to alleviate the current budget deficit, the lesson is clear: higher reserves provide the state more flexibility to respond to ever-changing budget needs. I commend State Rep. Tom Reynolds for his leadership on this effort."

Lembo, on a separate financial matter, also testified to the committee that the Office of the State Comptroller supports and is assisting in the statewide transition to GAAP (Generally Accepted Accounting Principles).

"The comptroller's office has been preparing audited GAAP-based financial reports for over 22 years," Lembo said. "I fully support – and my office is currently assisting – in the statewide conversion to GAAP, which protects against budget gimmicks."

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